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March 24, 2006

Ms. Karen Harrell
Risk Manager
Leon County / Office of Management and Budget
301 South Monroe St, Suite 201
Tallahassee, FL 32301

RE: Day Care Center

Dear Karen,

This letter is a follow up to my visit to Leon County on February 7th, 2006 to discuss the risk management issues related to a day care center located in the County owned, Bank of America building. As you will recall, we met with County Attorney, Dan Rigo and Management Services Director, Kim Dressel. We toured the facility and surrounding area, spoke with the building's real estate manager, and spent time watching the general activity that occurs in the area on a day-to-day basis. I came away from my visit with several risk management concerns:

1. **Day Care Center Drop Off Area:** While I did not observe any children being dropped off or picked up, I did have an opportunity to inspect the area and doorways where this takes place. The drop off area appears to be in a very busy traffic area adjacent to a bank "drive thru" that includes a 24-hour ATM machine. There is limited parking for the parents and they must cross amongst the garage traffic in order to walk their children into the facility. This drop off area is wide open to the general public and there is no clear entrance or exit. In my opinion, this creates a dangerous environment for both children and parents.
2. **Playground Area:** I found the playground itself to be in good order. The playground equipment was well maintained, the grounds were well-groomed, safe surfaces, and the fencing was in good condition. The concern I have is the location. This playground is located directly in front of the building, is exposed on three sides to the general public, and is in the middle of the busy downtown area. All who enter the Bank of America building walk within feet of the children on the playground. In addition, the area is in close proximity to a busy sidewalk. The playground is easily accessible for an adult and puts the children at risk simply due to the number of people who pass by on a daily basis. In addition, I witnessed a group of prisoners, loading onto a prison bus, directly across the street from the

daycare center and it's playground. This is an obvious exposure that should be avoided.

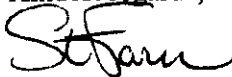
3. **Building Tenants:** The building tenants include a Bank, several County offices (some having to do with the Courthouse), and the federal Division of Alcohol, Tobacco, and Firearms. All businesses that have liability risks associated with them. Again, in my opinion, the traffic that these offices create poses a security risk to the daycare center and their children.
4. **Sidewalks:** In my tour of the facility, I noticed a steep sidewalk that led to the front of the facility and was told that it was part of the route to the playground. I then learned that teachers were pushing large strollers, with multiple, small children on board, up and down this sidewalk to access the playground. I did not witness these actions but am concerned with possible injury to a child should one of the teachers struggle on this steep incline.

For all of the reasons listed above, it is my opinion that this is a poor location for a day care center. There are numerous liability exposures that exist simply due to the location of this business. As I stated to Mr. Rigo, there are good explanations for why most day care centers are located in stand alone, secure locations that are not open to the general public. The representative from the building management company confirmed this statement and expressed his concern with this location as well. I would like to note that I have not spoken with, inspected, or reviewed any risk management procedures from the day care center itself. My opinion is that the location of this business in the County-owned Bank of America building creates liability exposure for Leon County.

As the landlord, the County is currently asking for the standard insurance requirements which include General Liability at \$1,000,000/\$2,000,000, Auto Liability at \$500,000, and Workers Compensation at Statutory Limits. The County, as the landlord, should also be named as an additional insured on their policies. Unfortunately, due to the numerous risk factors inherent in this location and the fact that there are children involved, those limits could be exhausted quite easily. This would leave the County exposed. I would ask that you seek advice from the County Attorney on further legal exposure that the County might face due to the exposures pointed out above.

It is my opinion that the County should do everything they can to relocate this business to another facility that has better security and is better suited, logistically, for a business operating as a day care center. Please let me know if you have any further questions.

Kindest regards,



Steve Farmer
Vice President